

SENATE MOTION

MR. PRESIDENT:

I move that Senate Bill 1 be amended to read as follows:

1 Page 72, between lines 21 and 22, begin a new paragraph and insert:
2 "SECTION 45. IC 6-3.1-29 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2004 (RETROACTIVE)]:

5 **Chapter 29. Income Tax Circuit Breaker Credit**

6 **Sec. 1. As used in this chapter:**

- 7 (1) "adjusted gross income tax liability" means an
8 individual's adjusted gross income tax liability under IC 6-3;
9 and
10 (2) "homestead" has the meaning set forth in
11 IC 6-1.1-20.9-1.

12 **Sec. 2. (a)** Except as provided in subsection (b), an individual is
13 entitled to a credit under this chapter if the:

- 14 (1) individual's adjusted gross income for the taxable year is
15 less than forty-seven thousand dollars (\$47,000); and
16 (2) the individual pays property taxes in the taxable year on
17 a homestead the individual:
18 (A) owns; or
19 (B) is buying under a contract that requires the individual
20 to pay property taxes on the homestead, if the contract or
21 a memorandum of the contract is recorded in the county
22 recorder's office.

23 **(b)** An individual is not entitled to a credit under this chapter
24 for a taxable year for property taxes paid on the individual's
25 homestead if the individual claims the deduction under
26 IC 6-3-1-3.5(a)(17) for the homestead for that same taxable year.

27 **Sec. 3. (a)** An individual described in section 2 of this chapter
28 is entitled each year to a refundable credit against the individual's
29 adjusted gross income tax liability. The amount of the credit to

1 which a qualifying individual is entitled equals the lesser of:

2 (1) the remainder (not less than zero (0)) of:

3 (A) the amount of property taxes the individual paid in the
4 taxable year on a homestead; minus

5 (B) the product of:

6 (i) the appropriate percentage from the table in
7 subsection (b); multiplied by

8 (ii) the qualifying individual's adjusted gross income for
9 the taxable year; or

10 (2) three hundred seventy-five dollars (\$375).

11 (b) The percentage under subsection (a)(1)(B)(i) is the
12 percentage from the following table that corresponds to the
13 individual's adjusted gross income for the taxable year:

14 ADJUSTED GROSS INCOME	PERCENTAGE
15 Less than \$5,000	3.5%
16 At least \$5,000 but less than \$10,000	4%
17 At least \$10,000 but less than \$25,000	4.5%
18 At least \$25,000 but less than \$47,000	5%

19 (c) The amount of the credit under subsection (a) may not
20 exceed the amount of property taxes the individual paid in the
21 taxable year on the homestead.

22 (d) If the amount of the credit under this chapter exceeds the
23 individual's adjusted gross income tax liability for the taxable
24 year, the excess shall be refunded to the taxpayer.

25 Sec. 4. To obtain the credit provided by this chapter, an
26 individual must:

27 (1) claim the credit in the manner prescribed by the
28 department of state revenue; and

29 (2) file with the department of state revenue:

30 (A) information concerning the property taxes paid on the
31 individual's homestead; and

32 (B) any other information required by the department."

33 Page 103, between lines 35 and 36, begin a new paragraph and
34 insert:

1 "SECTION 74. [EFFECTIVE JANUARY 1, 2004
2 (RETROACTIVE)] **IC 6-3.1-29, as added by this act, applies only to**
3 **taxable years beginning after December 31, 2003.**".

4 Renumber all SECTIONS consecutively.
 (Reference is to SB 1 as printed November 21, 2003.)

Senator SIMPSON